

How a Breakthrough Information Strategy Helps Power BPM Sales Success



A leading building product manufacturer wanted to move the customer conversation from price to value. Metrostudy delivered an enabling sales solution that elevates the company's sales representatives from vendors to trusted partners.

- A New Dimension to Sales Support
- Breakthrough Local Market Insight
- From Vendor to Trusted Partner

EXECUTIVE SUMMARY

In the battle to claim their fair share of orders from a resurgent home construction industry, building product manufacturers (BPMs) are aggressively moving to lock-up relationships with contractors. As a substantial improvement to old school promotional tactics like discounts, rebates, co-op dollars and other sales incentives BPMs use to help grow dealer volume, a growing number of innovative BPMs have added one more: market information.

One leading BPM has shown the way with an innovative strategy to provide their customers with proprietary market intelligence. The program, while in its early stages, is already hailed as a great success for building the company's brand and driving sales by helping dealers identify and win new accounts.

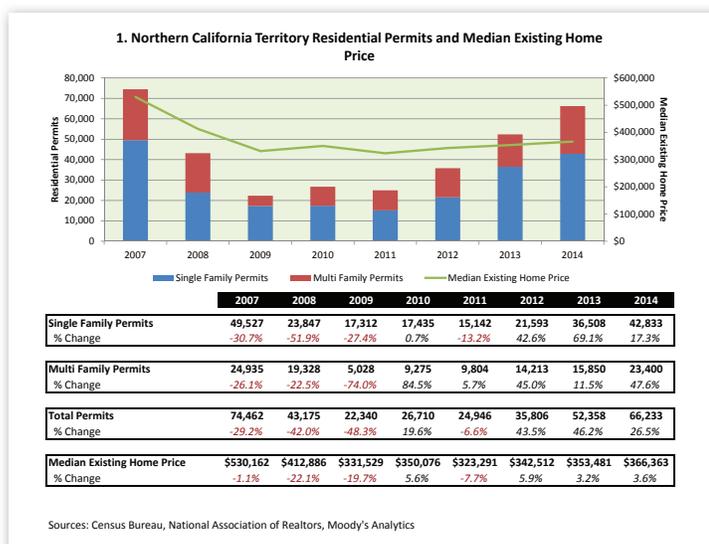
To illustrate sales performance, one of the BPM's dealers credits the report to identifying a local market prospect that they quickly converted into a new, top-tier customer.

PROCESS: BREAKTHROUGH LOCAL MARKET INSIGHT

A key element to the BPM's staffing initiative was a decision to use market information as a way to forge a new dimension to the sales representatives' relationship with contractors.

Critical Value-Added Difference

"We wanted to layer on a level of value contractors couldn't find elsewhere," explains the company's project lead. "The goal was to position our sales reps as consultants. Let's provide our reps with high-value market information that would demonstrate our value-added difference and help contractors win more business and, of course, sell more products."



4a. Top 20 Northern California Territory Builder Summary

Rank	Builder Name	Last 12 Months Closings	Market Share	Average Price	Avg. Living Sq. Ft.	Avg. Price Per Sq. Ft.
1	LENNAR	1,478	9%	\$257,279	2,112	\$122
2	DR HORTON	1,082	7%	\$347,042	2,478	\$137
3	PULTE-DEL WEBB-CENTEX	1,074	7%	\$292,719	2,065	\$142
4	KB HOME	948	6%	\$280,733	2,074	\$136
5	RICHMOND AMERICAN HOMES-MDC	682	4%	\$238,996	2,090	\$113
6	WOODSIDE HOMES	652	4%	\$258,429	2,153	\$120
7	MERITAGE HOMES	600	4%	\$349,000	2,426	\$144
8	STANDARD PACIFIC HOMES	548	3%	\$440,200	2,522	\$172
9	AD SEENO CONSTRUCTION CO	505	3%	\$408,814	2,502	\$163
10	HARMONY HOMES, LLC	414	3%	\$206,797	2,343	\$88
11	K HOVNANIAN	396	2%	\$496,133	2,459	\$163
12	AMERICAN WEST HOMES	391	2%	\$286,704	2,672	\$107
13	BEAZER HOMES	362	2%	\$177,064	1,919	\$92
14	WILLIAM LYON HOMES	336	2%	\$285,616	2,320	\$124
15	SHEA HOMES	295	2%	\$370,615	2,156	\$174
16	WEYERHAEUSER	288	2%	\$295,158	2,771	\$106
17	THE RYLAND GROUP, INC	266	2%	\$218,958	2,276	\$97
18	SHAPELL HOMES	238	1%	\$827,653	2,692	\$306
19	JMC HOMES	233	1%	\$365,850	2,438	\$150
20	TAYLOR MORRISON	227	1%	\$385,178	2,401	\$159

The Metrostudy report—called the *Builder Segment Snapshot Report*—is customized for each sales region. The report methodology includes field-collected data of new home activity for all local builders, including small and custom players. The Metrostudy field research organization is the U.S. housing industry's largest, with more than 350 field surveyors researching more than 2.8 million lots across 30,000 subdivisions and 174 full and partial MSAs every quarter.



Unique Local Market Insight

Working closely with Hanley Wood Chief Economist Jonathan Smoke and Metrostudy BPM Sales Director Tobias Morrison, it was agreed Metrostudy would produce a custom market report for each sales region.

The quarterly report—called the *Builder Segment Snapshot Report*—provides dealers with an unprecedented look at their marketplace:

- Home Permits—Issued and projected with median home price through 2014 by MSA and county
- Top 20 Home Builders—Ranked by last 12-month closings, market share, average home price and other metrics
- Local Builder Summary—MSA-based “who’s who” of local builders by a variety of historical, current and forecasted performance metrics

Fast, Actionable Intelligence

While comprehensive (each report is nearly 30 pages), the reports are easy to read and interpret. No analytic skills are required to view the market’s home building players.

The reports are expressly designed to help contractors grow sales by answering questions like:

- Where is the local market growing?
- Who are the top builders?
- Am I aligned with the right builders?
- And other sales-enablement questions

RESULTS: FROM VENDOR TO PARTNER

The market reporting program has topped all performance expectations the BPM reports. For example, they credit the report with sparking a major contractor win with a national home builder.

The BPM says “our contractor had dismissed a national home builder as a target because they didn’t think the volume was there. The Metrostudy report told another story. Surprised, the contractor quickly set up a meeting with the builder. Our contractor came back with a great bid and landed the business. If everything works out, the contractor is looking to work with the builder in other markets.”

Thanks to the report and the business it helped generate, the BPM has locked-down contractor loyalty to an unprecedented level.

The program has yielded other reported benefits and outcomes:

- **On the Price Conversation:** Contractors won’t switch to a competing product over a pricing issue. They understand the report’s critical impact on new business development and the exclusive, proprietary nature of the information (continued purchasing = continued report access).
- **On Program Innovation:** Competitors realize they’ve been outflanked with a level of contractor support they can’t match.
- **On Senior Leadership Engagement:** Everyone within the organization, up to and including the CEO, understands the value of this program.
- **On Customer Reaction:** Contractors now ask, ‘When is the refresh coming out?’ according to the BPM. This expectation helps smooth the path for continuous contractor interaction.
- **On Special Customer Recognition:** Top-performing contractors are eligible for even more local market insight through Metrostudy quarterly market briefings. The briefings are live, in-person events hosted by the local Metrostudy Research Director. The audience includes the market’s top players in home building, banking and development. For the contractor, it’s a private networking opportunity with area market-makers.
- **On Program Direction:** The BPM project lead plans to accelerate program momentum by creating an internal advisory council of key performers. The council will identify ways to leverage program success with even more aggressive enhancements.
- **On the Biggest Surprise:** The BPM discovered many contractors don’t know their market as well as they believed. A typical contractor comment after reviewing the report: *I didn’t know that builder was in my market.* The report program enables contractors to view their marketplace in new, frequently unexpected ways.



ABOUT METROSTUDY

Metrostudy, a Hanley Wood company, is the leading provider of primary and secondary market information to the housing and related industries nationwide. Established in 1975 in Houston, Metrostudy provides research, data, analytics and consulting services that help builders, developers, lenders, suppliers, retailers, utilities and others make investment and business decisions every day. [metrostudy.com](https://www.metrostudy.com)

ABOUT HANLEY WOOD

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